2010 HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT REPORT

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1. Condensed consolidated interim financial statements

A. Condensed consolidated statement of financial position

(in thousands of euros)

ASSETS	Notes	June 30, 2010	December 31, 2009
Non-current assets			
Goodwill	F3.1	718,201	642,798
Other intangible assets		74,056	65,452
Property, plant and equipment		235,102	217,283
Financial assets		20,148	18,080
Deferred tax assets		14,586	10,438
Total non-current assets		1,062,093	954,051
Current assets			
Inventories		534	567
Current income tax receivable		34,593	31,781
Accounts receivable - Trade	F3.2	465,838	445,626
Other current assets	F3.2	118,293	93,500
Other financial assets		6,979	6,239
Cash and cash equivalents	F5	225,922	238,686
Total current assets		852,159	816,399
Total assets		**1,914,252**	**1,770,450**

EQUITY AND LIABILITIES	Notes	June 30, 2010	December 31, 2009
Equity			
Share capital		141,495	141,490
Share premium		556,181	556,181
Translation reserve		74,914	-46,245
Other reserves		474,044	459,706
Total equity attibutable to equity holders of the parent		1,246,634	1,111,132
Minority interests		5,071	2,933
Total equity	E	1,251,705	1,114,065
Non-current liabilities			
Long-term provisions	F4	6,676	6,251
Financial liabilities	F5	36,424	36,589
Deferred tax liabilities		31,054	27,833
Total non-current liabilities		74,154	70,673
Current liabilities			
Short-term provisions	F4	21,438	34,810
Current income tax		26,853	25,277
Accounts payable - Trade	F6	105,908	88,088
Other current liabilities	F6	279,375	246,433
Other financial liabilities	F5	154,819	191,104
Total current liabilities		588,393	585,712
Total equity and liabilities		**1,914,252**	**1,770,450**

B. Condensed consolidated income statement

(in thousands of euros)

	Notes	*1st half year 2010*	*1st half year 2009 restated*	*1st half year 2009 reported*
Revenues		**983,242**	**946,705**	**946,705**
Other revenues	G1	5,502	5,923	5,923
Personnel		-704,086	-668,481	-668,481
External expenses		-169,166	-154,574	-154,574
Taxes other than income taxes		-8,195	-9,441	-9,441
Depreciation and amortization		-40,214	-34,971	-34,783
Amortization of intangible assets acquired as part of a business combination		-2,908	-2,898	-1,647
Change in inventories		-38	98	98
Other operating income	G3	3,759	8,506	8,506
Other operating expenses	G3	-5,214	-18,951	-18,951
Net operating profit before financing costs		**62,682**	**71,916**	**73,355**
Income from cash and cash equivalents	G4	1,554	2,672	2,672
Interest on financial liabilities	G4	-4,217	-4,420	-4,420
Net financing costs	**G4**	**-2,663**	**-1,748**	**-1,748**
Other financial income	G4	10,119	13,131	13,131
Other financial expenses	G4	-8,152	-9,637	-9,637
Profit before taxes		**61,986**	**73,662**	**75,101**
Income tax	G5	-21,026	-21,204	-21,750
Net profit	**C**	**40,960**	**52,459**	**53,351**
Net profit - Group share		**40,162**	**51,895**	**52,787**
Net profit attributable to minority interests		798	564	564
Basic and diluted earnings per share (€)	**G6**	**0.71**	**0.92**	**0.93**

C. Condensed consolidated statement of comprehensive income

(in thousands of euros)

	1st half year 2010	*1st half year 2009 restated*	*1st half year 2009 reported*
Net Profit	**40,961**	**52,459**	**53,351**
Translation differences from foreign operations	121,768	4,041	3,990
Net gain on foreign exchange hedges (before taxes)	-952	243	243
Income tax on net gain on foreign exchange hedges	323	-82	-82
Other recognized income and expense	**121,139**	**4,202**	**4,151**
Total comprehensive income	**162,100**	**56,661**	**57 502**
Group share	160,691	55,624	56,465
Attributable to minority interests	1,409	1,037	1,037

D. Condensed consolidated statement of cash flows

(in thousands of euros)

	1st half year 2010	1st half year 2009 restated	1st half year 2009 reported
Cash flows from operating activities			
Net profit - Group share	40,162	51,895	52,787
Net profit attributable to minority interests	799	564	564
Income tax expense	21,026	21,204	21,750
Depreciation and amortization	43,110	37,868	36,430
Change in provisions	-12,437	13,409	13,409
Expense and income relating to share-based payments		56	56
Unrealized gains and losses on financial instruments	-1,279	-3,997	-3,997
Gain/losses on disposal of non-current assets, net of tax	116	508	508
Income tax paid	-27,920	-11,151	-11,151
Other	-97	-375	-375
Internally generated funds from operations	***63,480***	***109,981***	***109,981***
Change in working capital requirements relating to operations	26,520	-13,641	-13,641
Net cash from operating activities	**90,000**	**96,340**	**96,340**
Cash flows from investing activities			
Acquisition of intangible assets and property, plant and equipen	-31,824	-36,136	-36,136
Acquisition of subsidiaries, net of cash acquired	-28,009	-44,237	-44,237
Loans and advances made	-55	-941	-941
property, plant and equipment	31	802	802
Proceeds relating to disposals of subsidiaries, net of cash disposed		5	5
Loans and advances repaid	1,100	1,212	1,212
Net cash from investing activities	**-58,757**	**-79,295**	**-79,295**
Cash flows from financing activities			
Proceeds from the issue of share capital	4,282	3,342	3,342
Acquisition of treasury shares	4	262	262
Dividends paid to parent company shareholders	-18,677	-24,808	-24,808
Dividends paid to minority interests in consolidated subsidiarie	-52	-160	-160
Proceeds from new borrowings	33,485	11,347	11,347
Repayment of borrowings	-67,819	-33,751	-33,751
Net cash from financing activities	**-48,777**	**-43,768**	**-43,768**
Change in cash and cash equivalents	***-17,534***	***-26,723***	***-26,723***
Effect of exchange rates on cash held	*7,324*	*2,488*	*2,488*
Net cash at January 1	**215,851**	**238,235**	**238,235**
Net cash at June 30	**205,641**	**214,000**	**214,000**

E. Condensed consolidated statement of changes in equity

(in thousands of euros)

	Attributable to equity holders of the parent							
	Share capital	Share premium	Translation reserve	Retained earnings	Fair value hedges	Total	Minority interests	Total
January 1, 2009	**140,957**	**553,321**	**-48,275**	**395,346**	**457**	**1,041,806**	**11,877**	**1,053,683**
Translation differences from foreign operations			3,568			**3,568**	473	**4,041**
Net profit				51,895		**51,895**	564	**52,459**
Net gain on cash flow hedges (after tax)					161	**161**		**161**
Total recognized income and expense	***0***	***0***	***3,568***	***51,895***	***161***	***55,624***	***1,037***	***56,661***
Share-based payments	482	2,860		56		**3,398**		**3,398**
Treasury shares				-81		**-81**		**-81**
Dividends (€0,44 per share)				-24,808		**-24,808**	-160	**-24,968**
Other	51			-182		**-131**	-9,968	**-10,099**
At June 30, 2009	**141,490**	**556,181**	**-44,707**	**422,226**	**618**	**1,075,808**	**2,786**	**1,078,594**
At January 1, 2010	**141,490**	**556,181**	**-46,245**	**459,191**	**515**	**1,111,132**	**2,933**	**1,114,065**
Translation differences from foreign operations (1)			121,159			**121,159**	609	**121,768**
Net profit				40,162		**40,162**	799	**40,961**
Net gain on cash flow hedges (after tax)					-629	**-629**		**-629**
Total recognized income and expense	***0***	***0***	***121,159***	***40,162***	***-629***	***160,692***	***1,408***	***162,100***
Commitments for the purchase of minority interests				-5,900		**-5,900**		**-5,900**
Share-based payments	5			-5		**0**		**0**
Treasury shares				-630		**-630**		**-630**
Dividends (€0,33 per share)				-18,677		**-18,677**	-52	**-18,729**
Other				17		**17**	782	**799**
At June 30, 2010	**141,495**	**556,181**	**74,914**	**474,158**	**-114**	**1,246,634**	**5,071**	**1,251,705**

(1) The large increase in the translation reserve is due principally to the change in the USD/€ exchange rate

F. Notes to the condensed consolidated interim financial statements

F1. Accounting policies

1. Reporting entity

Teleperformance (the « Company ») is a company domiciled in France. The condensed consolidated interim financial statements of the Company as at and for the six months ended June 30, 2010 comprise the Company and subsidiaries (together referred to as the « Group »).

The consolidated financial statements of the Group as at and for the year ended December 31, 2009 are available upon request from the Company's registered office at 6-8 rue Firmin Gillot, 75015 Paris or www.teleperformance.com .

2. Statement of compliance

These condensed consolidated interim financial statements as at and for the six months ended June 30, 2010 have been prepared in accordance with IAS 34 « Interim Financial Reporting » and are presented in accordance with revised IAS 1. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31. 2009. The accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 30, 2010.

3. New accounting standards

The following standards which have been applied prospectively have had no impact on the consolidated financial statements of the Group.

- Revised IFRS 3 « Business Combinations »
- Revised IAS 27 « Consolidated and Separate Financial Statements ».

However, following the changes introduced by these revised standards, the Group has modified its accounting for commitments for the purchase of minority interests (see note 4).

The Group has not opted to anticipate the application of the following amendments or interpretations which will be required in 2011:

- Amendment to IAS 32 « Classification of subscription rights »
- IFRIC 19 « Extinguishing financial liabilities with equity instruments ».

The Group does not expect any significant impact on the financial statements from the adoption of these standards and interpretations

4. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended December 31, 2009, with the exception of the new standards IFRS 3 and revised IAS 27.

As described in note 3, following the changes to these two standards, the Group has modified its method of accounting for commitments for the purchase of minority interests. Commitments for the purchase of minority interests contracted in respect of business combinations with effect from January 1, 2010 are deducted from equity attributable to equity holders of the parent (representing € 5.9 million at June 30, 2010), whereas those contracted prior to that date are included in goodwill. In both cases, a financial liability is set up.

5. Estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense, especially with respect to the following items.

- the depreciation and amortization rates,
- the calculation of losses on doubtful receivables,
- the calculation of impairment losses on goodwill and other intangible assets,
- the measurement of provisions and retirement benefits,
- the measurement of financial liabilities in respect of commitments for the purchase of minority interests,
- provisions, in particular for legal claims,
- the measurement of provisions for restructuring,
- the measurement of intangible assets acquired as part of a business combination,
- deferred taxes.

Such estimates are based on information available at the time of preparation, in particular that relating to the current economic and financial crisis, and may be reviewed if circumstances change, or if new information is available. Actual results may differ from these estimates.

6. Segment reporting

Until December 31, 2009, the business segments of the Group were disclosed by significant geographical region covering markets with different languages: NAFTA, EMEA and Other (Latin America, Asia-Pacific).

Since the beginning of 2010, the Group has implemented a new organization, adapting its management structures to the principal languages in its markets.

The Group's business is now divided into three major management regions:

- The English-speaking segment (including Asia-Pacific), which covers the businesses in the following countries: Canada, United States, United Kingdom, China, South Korea, Indonesia, India, Philippines, Singapore, Vietnam and Jamaica.

- The Iberico-Latam segment, which covers the businesses in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, El Salvador, Mexico, Spain and Portugal.

- The Continental Europe & MEA segment, which covers the businesses in EMEA*, with the exception of the United Kingdom, Spain and Portugal.

* EMEA: Europe, Middle East and Africa

These regions now represent our operating segments and the segment information presented for prior periods has been restated in consequence.

7. Restatement of the consolidated financial statements for the six months ended June 30, 2009

Following identification of tangible and intangible assets during the process of measuring assets and liabilities of « The Answer Group » acquired at the end of 2008, made in the second half of 2009, the comparative amounts for the six months ended June 30, 2009 have been restated to take account of these tangible and intangible assets with effect from the date of acquisition of the companies concerned, with a corresponding reduction in the amount of goodwill initially recognized, and the recognition of a related deferred tax liability.

F2. Acquisitions and disposals of group companies

In the first half of 2010, the Group acquired 75 % of the shares in the Métis Group, one of the major players in the offshore contact center business in Turkey, and which is forecast to have revenues of € 12 million in 2010. The Group has also entered the "face to face" contact center business with the purchase of 50 % of the TLS contact Group, with estimated 2010 revenues of € 8 million.

The Group has contracted commitments for the purchase of the minority interests in respect of these two acquisitions.

The Group has not opted to account for these acquisitions using the full goodwill method.

At the end of December 2009, the Group acquired 100 % of a Colombian company, Télédatos, a major player in its market of customer service solutions. Télédatos had revenues of approximately € 28 million in the first half of 2010. The Group is in the process of identifying and measuring the assets and liabilities acquired, and has recognized goodwill of € 73 million at June 30, 2010.

F3. Notes to the statement of financial position (in thousands of euros : K€)

1. Goodwill

Following its new organization described above in note F1.6, the Group has modified some of its groups of CGUs. Each CGU or group of CGUs is required to be allocated to an operating segment, and therefore should not contain businesses belonging to another operating segment.
The principal impact concerned the NAFTA group of CGUs, which included the businesses of Group subsidiaries in the United States, Canada and Mexico, as well as the offshore locations in India, Philippines and Chile, and which was required to be split up to conform to the new operating organization of the Group:

in thousands of euros	*At 12/31/2009 2009 organization*	*At 12/31/2009 2010 organization*
NAFTA	338,765	
United States, Canada		267,386
Mexico		71,379
Total	338,765	338,765

Goodwill has been tested for impairment at December 31, 2009, on the basis of the new organization, and no impairment losses were recognized. The Group has reviewed these CGUs or groups of CGUs to determine whether there is any indication of impairment, and, as necessary, has updated the future cash flow forecasts used at the beginning of 2010, on the basis of an unchanged methodology and the same annual discount rates as at December 31, 2009.
The impairment tests did not result in the recognition of any impairment losses in the first half of 2010.

2. Accounts receivable – Trade and Other current assets

	06/30/2010			12/31/2009
	Gross	Provision	Net	Net
Accounts receivable - Trade	478,721	-12,883	465,838	445,626
Other current assets	33,982	-1,021	32,961	31,091
Taxes and income taxes	58,771	0	58,771	43,484
Advances & receivables on non-current assets	2,978	0	2,978	1,646
Prepayments	23,583	0	23,583	17,279
Total	598,035	-13,904	584,131	539,126

F4. Provisions

	01/01/2010	Increases	Reversals		Exchange	Other	06/30/2010
			Utilized	Not utilized	adjustments		
Non-current							
Provisions for risks	617	34	0	-72	67	0	646
- *personnel-related*	*492*	*34*		*-72*	*39*		*493*
- *fiscal*	*125*				*28*	0	153
Provisions for other expenses	59	279	-12	-40	21		307
Retirement benefits	5,575	768	-381	-222	82	-99	5,723
Sub-total	6,251	1,081	-393	-334	170	-99	6,676
Current							
Provisions for risks	13,052	606	-3,278	-1,123	641	5	9,903
- *sales-related*	*233*	*-22*	*-19*	*-26*	*9*		175
- *personnel-related*	*9,328*	*250*	*-3,259*	*-838*	*587*	5	6,073
- *fiscal*	*3,491*	*378*		*-259*	*45*		*3,655*
Provisions for other expenses	*21,758*	*1,558*	*-11,310*	*-19*	*59*	-511	11,535
Sub-total	34,810	2,164	-14,588	-1,142	700	-506	21,438
TOTAL	**41,061**	**3,245**	**-14,981**	**-1,476**	**870**	**-605**	**28,114**

Provisions for other expenses at December 31, 2009 mainly concerned a restructuring provision of € 21 million made in 2009 in respect of France. During the first half of 2010, this provision was utilized in an amount of € 11 million, giving a balance of € 10 million at June 30, 2010.

F5. Financial liabilities, net

Maturity schedule:

	June 30, 2010	Current	Non-current	December 31, 2009	Current	Non-current
Loans from financial institutions	143,470	126,008	17,462	163,402	151,197	12,205
Bank overdrafts	20,281	20,281	0	22,835	22,835	0
Finance lease liabilities	13,429	6,341	7,088	16,473	6,122	10,351
Other loans and financial liabilities	5,261	1,944	3,317	14,345	10,951	3,394
Due to minority shareholders	8,802	245	8,557	10,639		10,639
Total financial liabilities	191,243	154,819	36,424	227,694	191,105	36,589
Cash equivalents	91,863	91,863		43,238	43,238	
Cash and bank	134,059	134,059		195,448	195,448	
Total cash and cash equivalents	**225,922**	**225,922**	**0**	**238,686**	**238,686**	**0**
Total net debt (cash surplus)	-34,679	-71,103	36,424	-10,992	-47,581	36,589

The amount due to minority shareholders relates to commitments for the purchase of their shareholdings representing € 5.9 million for 2010 acquisitions, and € 2.9 million for prior period acquisitions.

Cash and cash equivalents presented in the consolidated statement of cash flows are reconciled to the above information, as follows:

	06/30/2010	12/31/2009
Bank overdrafts	-20,281	-22,835
Cash equivalents	91,863	43,238
Cash and bank	134,059	195,448
Net cash	205,641	215,851

The covenants included in certain loan agreements were respected at June 30, 2010.

F6. Accounts payable – Trade and Other current liabilities

	06/30/2010	12/31/2009
Accounts payable - Trade	105,908	88,088
Other payables	109,116	92,197
Taxes payable	84,541	80,669
Accruals	75,270	60,926
Other operating liabilities	10,448	12,641
Total	385,283	334,521

F7. Financial instruments

Foreign exchange hedges

Revenues and operating expenses of Group companies are denominated principally in the currency of each country concerned. However, the Group is exposed to foreign exchange risks in certain subsidiaries where revenues are denominated in a currency other than the functional currency.
Foreign currency instruments have been put in place, principally to hedge the risk of changes in the exchange rates between the US dollar and the Mexican peso, Canadian dollar, Philippines peso, in respect of forecast revenues.
The policy of the Group is to cover its highly probable forecast transactions denominated in a foreign currency usually over a period of 12 months. The Group uses forward exchange contracts and plain vanilla foreign exchange options.

The principal derivative financial instruments in place at June 30, 2010 are as follows:

Derivative financial instruments (in thousands)	*Notional amount in currency*	*Notional amount in € at 06/30/10*	*Fair value in € at 06/30/10*	*In equity*	*In 2010 result*
Currency hedge of forecast PHP/USD transactions					
Forward purchases of PHP	1,400,000	24,616	145	66	79
Put & call PHP - options	1,240,000	21,803	-128	-117	-11
Currency hedge of forecast USD/MXN transactions					
Forward sales of USD	9,000	7,334	-2	-121	119
Purchases of USD options**	22,000	17,928	44		44
Put & call USD - options**	30,000	24,448	280		280
Sales of USD options**	32,500	26,485	139		139
Forward sales of USD**	15,000	12,224	259		259

At June 30, 2010, the fair value of derivative financial instruments was € 905 K, shown as Other financial assets (current).

G. Notes to the income statement

G1. Other revenues

	2010 (1st half year)	2009 (1st half year)
Gain on disposal of intangible assets and property, plant and equipment	-211	-288
Profit on sale of subsidiaries	87	-10
Own work capitalized	36	81
Operating grants	3,691	4,835
Other	1,899	1,305
Total	5,502	5,923

G2. Share-based payments

Bonus share awards

Under the authorization given by the Shareholders' General Meeting on June 1, 2006 relating to the issue of bonus shares to a maximum of 2.30 % of the Company's share capital at the time of the General Meeting, the Board of Directors granted a total of 862,066 bonus share awards from 2006 to 2008, of which 2000 were still outstanding as at December 31, 2009, and which were issued when they fell due on January 10, 2010.

G3. Other operating income and expenses

	2010 (1st half year)		2009 (1st half year)	
	Income	Expenses	Income	Expenses
Other income and expenses from normal business	3,759	-15,036	8,506	-6,441
Provisions		9,822		-12,510
Total	3,759	-5,214	8,506	-18,951

Other expenses from normal business in the first half of 2009 included a restructuring provision of € 8.2 million for France, mainly representing personnel termination costs. During the first half of 2010, an amount of € 11.2 million was reversed from the provision for restructuring (France) which had been made at December 31, 2009, relating to actual costs included in the line "Other income and expenses from normal business".

G4. Net financing costs and Other financial income and expenses

	2010 (1st half year)	2009 (1st half year)
Income from cash and cash equivalents	1,554	2,672
Interest expense	-3,594	-3,709
Interest on finance leases	-459	-646
Interest on commitments for the acquisition of shareholdings of minority interests	-164	-65
Net financing costs	-4,217	-4,420
Exchange rate differences	2,007	-392
Change in fair value of derivative financial instruments	983	3,926
Other	-1,022	-39
Other financial income and expenses	-695	1,747

G5. Income tax

Income tax amounted to € 21.0 million in the first half of 2010 compared with € 21.8 million in the first half of 2009, representing an effective tax rate of 33.9 %, compared with 28.8 % in the same period last year. The increase in the rate is principally due to the greater share of profit before income taxes arising in the United States.

G6. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.
Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the period, as adjusted for the effect of all potentially dilutive ordinary shares not yet issued

	2010 (1st half year)	2009 (1st half year)
Net profit - Group share	**40,162**	**51,895**
Weighted average number of shares used to calculate basic earnings per share	56,513,438	56,501,080
Dilutive effect of bonus share awards	0	2,982
Weighted average number of shares used to calculate diluted earnings per share	56,513,438	56,504,062
Basic earnings per share in €	0.71	0.92
Diluted earnings per share in €	0.71	0.92

Weighted average number of shares used to calculate earnings per share:

	2010 (1st half year)	*2009 (1st half year)*
Ordinary shares in issue at January 1	56,596,048	56,382,847
Treasury shares	-84,500	-67,453
Options exercised	0	171,755
Bonus shares issued	1,890	13,931
Weighted average number of ordinary shares	56,513,438	56,501,080

H. Segment reporting

As disclosed in note F1.6, the Group has implemented a new organization which modifies its operating segments as previously reported up to the end of 2009. The segment information for the first half of 2009 has been restated in consequence.

Inter-segment transactions are not significant, and have not been disclosed.

Six months ended June 30, 2010	*English-speaking & APAC*	*Iberico-Latam*	*Continental Europe & MEA*	*Holding companies*	*Total*
Revenues	**349,695**	**277,491**	**356,056**	**0**	**983,242**
Results from operating activities	**33,510**	**29,511**	**-8,189**	**7,850**	**62,682**
Capital expenditure (including finance leases)	10,999	12,388	8,918	446	**32,751**
Depreciation and amortization of non-current assets	17,779	14,741	10,378	224	**43,122**

Six months ended June 30, 2009	*English-speaking & APAC*	*Iberico-Latam*	*Continental Europe & MEA*	*Holding companies*	*Total*
Revenues	**358,280**	**229,287**	**359,138**	**0**	**946,705**
Results from operating activities	**31,973**	**33,228**	**-1,605**	**9,759**	**73,355**
Capital expenditure (including finance leases)	18,152	13,624	7,780	72	39,628
Depreciation and amortization of non-current assets	15,889	10,648	10,288	-396	36,429

I. Related parties

There have been no significant related party transactions since January 1, 2010.

J. Events after the balance sheet date

The Group announced:

- On July 1, its restructuring plans for its French business, which are intended to reduce the number of sites from 22 to 14. These plans are expected to result in a reduction of Teleperformance France personnel of around 830 persons. Following the meeting of works council held on August, 18, the layoff has been revised to 689 employees. The cost of these plans cannot be reliably estimated as of this date; however, the Group expects that the average total cost per employee will be higher than that of the plan carried out at the beginning of 2010 (source: interview on July 22, 2010).

- On August 3, 2010, the acquisition of U.S. Solutions Group Inc. The Virginia-based company was established in 2001 and currently operates 3 contact centers with approximately 480 workstations.
U.S. Solutions Group core services include inbound customer care, technical support, billing inquiry and web-enabled customer support. Annual Revenue forecasted for 2010 is approximately $17 million.

- On August 17, the acquisition of 100% of the equity of beCogent in UK. This company based in Scotland has around 3,000 employees at its four call centers, and forecast 2010 revenue of approximately £ 50 million.

2. 2010 half year management report

A. Business Activity over the last half year

The condensed consolidated financial statements for the first half of 2010 as prepared by the Board of Directors may be summarized as follows:

Summary consolidated data (in millions of euros)	**June 30, 2010**	**June 30, 2009 restated***	**December 31, 2009**
Revenue	**983.2**	**946.7**	**1847.7**
EBITDA	105.8	109.8	206.9
EBITDA/Revenue %	10.8%	11.6%	11.2%
EBITA	**65.6**	**74.8**	**135.2**
EBITA/Revenue %	6.7%	7.9%	7.3%
Net operating profit before financing costs	**62.7**	**71.9**	**130.0**
Operating margin	6.4%	7.6%	7.0%
Net financial result	-0.7	+1.7	0.0
Income tax	-21.0	-21.2	-41.3
Net profit	**41.0**	**52.5**	**88.8**
- Group share	40.2	51.9	88,.
Diluted earnings per share	0.71	0.92	1.56

Summary consolidated cash flows and financial position (in millions of euros)	**June 30, 2010**	**June 30, 2009 restated***	**December 31, 2009**
Internally generated funds from operations before tax	**91.4**	**121.1**	**229.3**
Income tax paid	-27.9	-11.1	-31.3
Internally generated funds from operations	**63.5**	**110.0**	**198.0**
Change in working capital requirements relating to operations	26.5	-13.6	-7.8
Net cash from operating activities	**90.0**	**96.4**	**190.2**
Net capital expenditure (Capex)	-31.8	-35.3	-67.1
Free cash flow	**58.2**	**61.1**	**123.1**
Net financial investment	**-26.9**	**-44.0**	**-96.3**
inc. acquisition of subsidiaries, net of cash acquired	*-28.0*	*-44.2*	*-97.5*
Net cash from financing activities	**-48.8**	**-43.8**	**-48.6**
Change in cash and cash equivalents	**-17.5**	**-26.7**	**-21.8**
Total equity	**1 251.7**	**1078.6**	**1 114.0**
Attributable to equity holders of the parent	1 246.6	1075.8	1 111.1
Net cash	**34.7**	**37.0**	**11.0**

* Following identification of tangible and intangible assets during the process of measuring assets and liabilities of « The Answer Group » acquired at the end of 2008, made in the second half of 2009, the comparative amounts for the six months ended June 30, 2009 have been restated to take account of these tangible and intangible assets with effect from the date of acquisition of the companies concerned, with a corresponding reduction in the amount of goodwill initially recognized, and the recognition of a related deferred tax liability.

A1. Review of business in the first half of 2010

Consolidated revenues in the first half of 2010 amounted to € 983.2 million, compared to € 946.7 million over the same period last year, an increase of 3.9 % on the basis of reported figures.
Excluding foreign exchange and scope of consolidation changes, group revenues showed a drop of 2.6 % during the first half of 2010, coming principally from the Continental Europe & MEA segment as well as other European countries (U.K. and Spain) which are included in other operating segments.
Analysis of first half year revenues by geographical segment (in millions of euros):
Since the beginning of 2010, the Group has implemented a new organization, adapting its management structures to the principal languages in its markets.

The Group's business is now divided into three major management regions:

- The English-speaking segment (including Asia-Pacific), which covers the businesses in the following countries: Canada, United States, United Kingdom, China, South Korea, Indonesia, India, Philippines, Singapore, Vietnam and Jamaica.

- The Iberico-Latam segment, which covers the businesses in the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, El Salvador, Mexico, Spain and Portugal.

- The Continental Europe & MEA segment, which covers the businesses in EMEA*, with the exception of the United Kingdom, Spain and Portugal.

* EMEA: Europe, Middle East and Africa

A2. Revenues in the first half of 2010 may be analysed as follows:

(In millions of euros)	**June 30, 2010**	**June 30, 2009**	**Growth (in %)**	
			Based on reported figures	**Excl. Foreign exchange & scope of consolidation changes**
English-speaking & APAC	349.7	358.3	-2.4	-4.7
Iberico-Latam	277.5	229.3	+21.0	+1.8
Continental Europe & MEA	356.0	359.1	-0.9	-3.6
TOTAL	**983.2**	**946.7**	**+3.9**	**-2.6**

English-speaking & APAC segment

This segment experienced a drop of 4.7 % in revenues, on the basis of constant exchange rates and consolidation scope. This was due to further difficulties in the second quarter in the domestic markets in Canada and the United Kingdom.

On the other hand, in the context of the continuing uncertain outlook in the North American market, Teleperformance has performed well over the first half year of 2010 in the United States, due to its good customer base.

Iberico-LATAM segment

This segment had an increase of 1.8 % in revenues over the first half year, on the basis of constant exchange rates and consolidation scope. Brazil showed double-digit growth, while Spain slowed down significantly due to the economic and financial difficulties of the country.

Mexico is slightly down on the same period in 2009.

Overall, growth in Latin America has offset the difficulties in Spain.

Continental Europe & MEA

Segment revenues are down 3.6 % from the same period last year, on the basis of constant exchange rates and consolidation scope.

However, compared with the drop of 7.3 % recorded in the first quarter, this is a substantial improvement, due mainly to the comparison with 2009, as the decline in French revenues was most noticeable from the second quarter of that year.

Benelux, Greece and the Nordic countries performed well which compensates in part for the decline experienced in Germany and Italy.

A3. Scope of consolidation effects

Effects from scope of consolidation changes mainly resulted from the external growth transactions in 2009:

- In Europe : Acquisition of TLScontact group and of the Turkish company, Métis, which were consolidated as of January 1, 2010.
- In the Iberico-Latam segment: Acquisition of Télédatos in Colombia, which was consolidated as of December 31, 2009.

In the first half of 2010, the scope of consolidation effect on revenues amounted to **€ 34.7 million, as follows:**

- **Europe** + 6.1million €
- **Iberico-Latam** + 27.9 million €
- **English-speaking** + 0.7 million €

B. Profitability

The Group's **Net operating Profit before financing costs** amounted to **€ 62.7 million** in the first half of 2010, compared with € 71.9 million in the same period last year.

This significant reduction is due principally to the results of the French subsidiary, and it should be noted that the 2009 results included the impact of restructuring provisions of € 9 million in the Europe segment.

Faced with an operating loss in France of € 36 million for full year 2009, the Group had begun the first step of its French restructuring plan in 2009, represented by the voluntary termination of 585 employees. This was put into effect during the first half of 2010, but the positive impact will be seen only from the second half of this year. As a result, the first half of 2010 has not benefited from these cost-cutting measures, and shows poorer results than the equivalent period in 2009 which had a relatively better performance than full year 2009.

EBITDA amounted to **€ 105.8 million**, compared with €109.8 million in the first half of 2009, representing **10.8 % of Group revenues,** compared with 11.6 % and 11.2% for first half and full year 2009, respectively.

EBITA amounted to € 65.6 million, compared with € 74.8 million in the same period in 2009, representing 6.7% of Group revenues, down from 7.9 % in first half 2009 and from 7.3 % for the full year.

In 2010 the net financial result (loss) amounted to € 0.7 million compared with a net income of €1.7 million in 2009.

Foreign exchange hedging transactions in force at June 30, 2009 had generated a gain of € 3.9 million, compared with only € 1 million at June 30, 2010.

Income tax expense amounted to €21.0 million, compared with €21.8 million in 2009, representing an average tax rate of 33.9 % compared with 28.8 % in 2009.
This relative increase is due to changes in the geographical origin of Group profits, in particular the increase in the weight of the United States, which has a higher tax rate.

As a consequence, **the net profit** amounted to **€ 41.0 million**, compared with € 52.5 million in the first half of 2009, **and the net profit- group share** was **€ 40.2 million** compared with € 51.9 million in the first half of 2009.

C. Financial Structure at June 30, 2010

C1. Equity

Total equity attributable to equity holders of the parent amounted to € 1,246.6 million at June 30, 2010, compared with € 1,111.1 million at December 31, 2009.

This increase includes the € 40.2 million net profit achieved in the first half of 2010, the € 18.7 million dividend payment in June (from 2009 results) and a positive movement in the translation reserve of € 121.2 million.

The increase in minority interests, which amounted to € 5.1 million at June 30, 2010, compared with € 2.9 million at December 31, 2009, resulted principally from the consolidation of the TLScontact Group and of the company Métis, which are controlled by the Group to the extent of 50 % and 75 % respectively. The Group is committed to acquire these minority interests. The Group's policy of purchasing minority interests has continued during the first half of 2010.

C2. Net financial indebtedness

Teleperformance's net cash surplus increased from € 11.0 million at December 31, 2009 to € 34.7 million at June 30, 2010.
This increase of € 23.7 million may be analysed as follows:

-Net cash from operating activities	+€ 90.0 million
-Cash outflows from investing activities	- € 58.8 million
-Impact of purchases of minority interests on net financial indebtedness	+ € 2.2 million
-Dividend payments	- € 18.7 million
-New finance lease agreements	- € 0.6 million
-Increase in equity	+ € 4.3 million
-Other	+ € 5.3 million

The Group's cash and cash equivalents amounted to € 225.9 million at June 30, 2010.
The unused syndicated credit facility at June 30, 2010 represents an additional investment potential of € 196.7 million.

The net cash surplus at June 30, 2010 may be analysed as follows (in millions of euros):

	June 30, 2010	December 31 2009
Cash and cash equivalents (a)	**225.9**	**238.7**
Loans from financial institutions	143.4	163.5
Due to minority shareholders	8.8	10.6
Bank overdrafts	20.3	22.8
Finance leases liabilities	13.4	16.5
Other liabilities	5.3	14.3
Total financial liabilities (b)	**-191.2**	**-227.7**
Net cash surplus (a) + (b)	**+34.7**	**+11.0**

C3. Cash Flows

Internally generated funds from operations before tax in the first half of 2010 reduced significantly compared to last year in the same period, and amounted to **€ 91.4 million** compared with € 121.1 million at June 30, 2009, due to lower operating results, and cash outflows related to the restructuring provisions set up last year.

However, net cash from operating activities generated € 90.0 million in the first half of 2010, only slightly down on the € 96.4 million in the first half of 2009, due to a sharp reduction in working capital requirements following Group actions undertaken in the first half of 2010.

Net cash outflows from capital expenditure (Capex) amounted to € 31.8 million in the first half of 2010, i.e. 3.2 % of Group revenues compared with 3.7 % over the same period last year.

Operations related to **changes in the scope of consolidation** resulted in a **net cash outflow of € 28.0 million**. These represented the acquisitions of 50 % of the TLScontact Group and of 75 % of the Turkish company Métis, plus the outstanding amount for the acquisition of Teledatos (most of its purchase price had been paid in 2009).

In addition to the above, cash outflows for the payment of the 2009 dividend (€ 18.7 million) and the repayment of financial liabilities (to the extent of € 34.3 million) resulted in an overall **€ 10.2 million** decrease in cash and cash equivalents (as disclosed in the consolidated statement of cash flows) in the first half of 2010.

D. Key events during the first half of 2010

During the first half of 2010, Teleperformance France has carried out the restructuring plan announced last year. After a number of adjustments to the initial plan, and the agreement of the relevant authorities, the voluntary termination plan covering 585 employees was finally put into effect from May 2010. Most of the persons concerned left the company at the end of June 2010, but some departures have occurred up to the end of August 2010.
The terminations have taken place as planned, and actual costs have not exceeded the provisions set up as of December 31, 2009.

E. Major risks and uncertainties for the remaining six months of 2010

The Group is exposed to the risks which were described in the Reference Document for the year ended December 31, 2009, which was subject to visa by the AMF.

In addition, there is a degree of uncertainty in respect of the performance and the cost of the French restructuring plan which was announced on July 1, 2010.
This plan, which has been communicated to the works council, will lead to a redundancy plan. It covers:

- the closing of four centers, with employee terminations (Marseille, Pantin, Rennes, and Tours) ;
- the consolidation of four centers, with some reduction in employee numbers (Le Mans, Lyon, Orleans, and Toulouse);
- down-sizing of the Bordeaux center, with a reduction in employee numbers.

The plan is expected to be implemented throughout the second half of 2010.

The cost of these plans cannot be reliably estimated as of this date; however, the Group expects that the average total cost per employee will be higher than that of the plan carried out at the beginning of 2010 (source: interview on July 22, 2010).

F. Related parties

During the first half of 2010, there was no related party transaction with a significant impact on the Group's financial statements.
Information in this respect is disclosed in the footnotes to the condensed consolidated interim financial statements.

G. Outlook

As market trends still remain very uncertain, especially in Europe, the Group now expects for FY 2010 to achieve revenue growth on a reported basis but anticipate a lack of organic growth (excluding changes in scope of consolidation and exchange rates).

However Teleperformance maintains its profitability objectives. This year's profile is symmetrically opposed to last year's, which explains, in part, the changes in the results reported for the first half of 2010. Thanks to close cost management, the Group still aims at reaching an EBITA rate- excluding non-recurring items- standing for 8.5% of its revenues in 2010.

3. Attestation of the person responsible for the condensed half year consolidated financial statements and management report

« I hereby declare that, to the best of my knowledge, the condensed consolidated financial statements for the first half of 2010 have been prepared in accordance with applicable accounting principles and give a true and fair view of the assets and liabilities, financial situation and results of the Group. I further declare that the half year Management Report gives a true and fair view of the material events occurring during the first six months of the financial year and of their impact on the half year financial statements, of the principal related party transactions, and of the principal risks and uncertainties for the remaining six months of 2010 ».

Paris, August 31, 2010

Daniel Julien
Chairman of the Board of Directors

4. Statutory auditors' review report on the 2010 condensed half year consolidated financial statements

This is a free translation into English of the statutory auditors' review report issued in the French language and is provided solely for the convenience of English-speaking readers. This report also includes information relating to the specific verification of information given in the management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity of statutory auditors, appointed by the shareholders in general meeting, and in accordance with the requirements of article L 451-1-2 III of the Monetary and Financial Law (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed half year consolidated financial statements of Teleperformance S.A. for the six month period ended June 30, 2010;
- the verification of information contained in the half year management report.

These condensed half year consolidated financial statements are the responsibility of the Management Board. Our responsibility is to express a conclusion on these financial statements based on our review.

I – Conclusion on the half year financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - the IFRS standard adopted by the EU applicable to interim financial information.

Without qualifying the conclusion expressed above, we draw your attention to note 11, Events after the balance sheet date, which discloses the restructuring plans for the French group business announced on July 1, 2010.

II - Specific verification

We have also verified the information given in the half year management report concerning the condensed half year consolidated financial statements.

We have no matters to report as to its fair presentation and consistency with the condensed half year consolidated financial statements.

Labége, August 31, 2010	Maisons-Alfort, August 31, 2010	
KPMG Audit	MG Sofintex	
Division of KPMG S.A.	Member of Deloitte Touche Tohmatsu	
Christian Libéros	Pierre Marque	Laurent Odobez
Partner	Partner	Partner